

**APPROVED MAY 21, 2015**

The special meeting of the Douglas County Board of Commissioners was held on May 4, 2015 in the Douglas County Commissioner Meeting Room of the Douglas County Administration Building, 1616-8<sup>th</sup> Street, Minden, Nevada, beginning at 4:02 p.m.

**COMMISSIONERS PRESENT:** Doug N. Johnson, Chairman; Nancy McDermid, Vice Chairwoman; Greg Lynn, Commissioner; Barry Penzel, Commissioner and Steve Thaler, Commissioner.

**STAFF PRESENT:** Kathy Lewis, Clerk-Treasurer; Jim Nichols, County Manager; Doug Ritchie, Chief Civil Deputy District Attorney; Fire Chief Tod Carlini, EFFD, Carl Ruschmeyer, Public Works Director; Tom Dallaire, Gardnerville Town Manager; Philip Ritger, Genoa Town Manager; Jenifer Davidson, Minden Town Manager; Vicki Moore, Accountant; Marcie Schurke, Budget Analyst II; and Laure Penny, Clerk to the Board.

*Many Elected Officials, Department Heads, and staff members were present in the audience.*

**PLEDGE OF ALLEGIANCE**

Doug N. Johnson led the Pledge of Allegiance.

**PUBLIC COMMENT (No Action)**

There was no public comment.

**APPROVAL OF AGENDA**

**For possible action. Approval of proposed agenda.**

MOTION by Lynn/McDermid to approve the agenda as presented; carried unanimously.

**ADMINISTRATIVE AGENDA**

**THE BOARD OF COUNTY COMMISSIONERS WILL CONVENE FOR THE FY 2015/2016 TENTATIVE BUDGET HEARINGS AS DOUGLAS COUNTY; DOUGLAS COUNTY REDEVELOPMENT AGENCY BOARD; TAHOE-DOUGLAS TRANSPORTATION DISTRICT BOARD; AND THE EAST FORK FIRE DISTRICT BOARD.**

**1. Presentation on the FY2015-16 Tentative Budgets for the Town of Gardnerville.**

Tom Dallaire, Gardnerville Town Manager, provided a list of funds managed by the Town and their use, breakdown of expenses for the 610 (General Fund) and 611

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(Health & Sanitation) funds, revenue history of the 610 and 611 funds, and a summary of planned projects. Revenue projections were provided for consolidated tax, ad valorem tax, gaming tax, and health and sanitation and were explained in detail.

Mr. Dallaire stated the 613 Fund – Debt/Revenue – has been paid off. This fund was for the decorative street lights. He mentioned they lost funding for the sidewalk extension project from Raley's to Toiyabe and Toler because the funding went to pay for the curb, gutter, sidewalk and storm drain improvements at Sharkey's. They also had to relocate a light which they are trying to be reimbursed for through NDOT.

Chairman Johnson asked Mr. Dallaire what the percentage of increase of salaries and benefits was going to be. Mr. Dallaire responded 4% maximum merit.

This was a presentation only.

**2. Presentation on the FY2015-16 Tentative Budgets for the Town of Genoa.**

Philip Ritger, Genoa Town Manager, provided a summary of the Town's revenue with a detailed explanation of miscellaneous revenue. Trends in Candy Dance, Cowboy Festival, facility rentals, state consolidated tax, and ad valorem revenues were presented. Highlighting the expenditures, Mr. Ritger broke down the Service & Supplies and provided the Candy Dance expense history. The Genoa Ad Valorem Capital Fund and Genoa Construction Reserve Fund were also presented.

Mr. Ritger commented he wanted to provide his support for the water by-pass loop being done by Public Works and the Towns.

Commissioner Penzel complimented the Town on its conservative attitude towards the Candy Dance and the Cowboy Festival.

This was a presentation only.

**3. Presentation on the FY2015-16 Tentative Budgets for the Town of Minden.**

Jenifer Davidson, Minden Town Manager, provided an overview and break down of the Town's budget and 6 Funds which include the Minden General Fund, Minden Capital Equipment Fund, Minden Construction Fund, Minden Trash Fund, Minden Wholesale Water Fund, and Minden Retail Water. Ms. Davidson provided the projected personnel expenses along with a considered reorganization depending on the outcome of the Comp and Class Study and the recommendations that come from that. She also discussed the capital equipment and projects requests and the deficit in the Wholesale Water Fund.

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Commissioner Lynn asked if there was increased revenue since Carson City pumped more water than anticipated. Ms. Davidson responded that is correct. Commissioner Lynn wanted to know how much the increase in revenue decreased the deficit. Ms. Davidson responded the difference between the \$152,000 and the \$109,539 is the increase in revenue.

Vice Chairwoman McDermid asked if they don't have a renegotiated contract for the Wholesale Water until February 2016 aren't they going to have an even larger deficit or is the amount on the budget projected. Ms. Davidson responded it is projected.

Commissioner Thaler asked isn't Carson City allotted so many acre feet of water and if they go over they pay a penalty. Ms. Davidson responded that is a two part question. Yes, they are allotted so many acre feet of water but they have not gone over. Commissioner Thaler then asked about the County Road project and when it would start. Ms. Davidson responded they are looking at breaking ground in the spring of 2016.

This was a presentation only.

**5. For possible action. Discussion on the FY 2015-2016 budgets for Douglas County, Douglas County Redevelopment Agency, Tahoe-Douglas Transportation Districts and the East Fork Fire District Board.**

Fire Chief Tod Carlini, EFFD, informed the Board there are no revenue changes and then provided a summary on Expenditures; Pending Impacts; Impacts from the Affordable Health Care Act (AHCA); and Budget Allocations. He discussed in detail the impact AHCA is having on their budget and what they have done to help reduce that deficit, one of which is a wage freeze.

Commissioner Lynn referred Chief Carlini to page 6 of his presentation. Commissioner Lynn asked Chief Carlini if they dissolve the Equipment and Construction Funds where will the money come from to repair the Stations. Chief Carlini replied they currently budget for those programs each year but they will come through a Capital Improvement Program as opposed to having a separate fund.

Commissioner Thaler asked Chief Carlini if the problem with the AHCA is that Medicaid doesn't reimburse the full cost of an ambulance ride. Chief Carlini responded yes, they only receive \$.21 on the dollar from Medicaid. Commissioner Thaler then asked how much the wage freeze is based upon their Comp and Class Study and what the impact was. Chief Carlini responded certain positions will be impacted. It also impacts individual employees. The wage freeze will not be sustainable because employees will start leaving.

Commissioner Penzel asked if people enrolled in the Silver Saver Program are also costing the Fire District money for ambulance rides like individuals enrolled in

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Medicaid. Chief Carlini responded he thinks they are at a breakeven point. Commissioner Penzel asked if it wouldn't be to their advantage to get people on Medicaid into the Silver Saver Program. Chief Carlini replied he doesn't know how that would work but right now they are able to bill private insurance for the ambulance ride.

**4. For possible action. Discussion on approval of the FY2015-2019 Capital Improvement Program.**

Vicki Moore, Accountant, reviewed the NRS requirement for a five year CIP, which is a budgeting and planning tool and a growth management tool. The CIP contains large scale projects that meet cost, size and are a benefit to the community, have a useful life of 1+ years, and have nonrecurring expenses. The process to identify projects for the CIP began in February. For both the FY 2015-16 and the 5 year proposed CIPs, the budget expenses by major category and revenue by funding source was presented. The annual CIP budget versus the 5 year CIP plan was presented with the notation that the annual budget only includes projects with available funding while the five year capital improvement plan includes planned projects and projects without or pending funding. Highlights of individual projects within the Airport, Buildings/Facilities, Leisure/Community Enhancement, Transportation, Utilities, and the Towns were presented.

Commissioner Lynn asked for an explanation on the Transitional Housing Property/Renovation listed on page 12 of the presentation. Ms. Moore explained it's to look at future housing for indigent people.

Commissioner Thaler referred Mr. Moore to page 10 of the presentation. He asked why such a big swing in the Dedicated Taxes. Ms. Moore responded a lot of the Dedicated Taxes were collected in prior years for projects slated for this year that will not be completed but they will be completed next year or in future years.

**5. For possible action. Discussion on the FY 2015-2016 budgets for Douglas County, Douglas County Redevelopment Agency, Tahoe-Douglas Transportation Districts and the East Fork Fire District Board.**

*The East Fork Fire District Board's budget was heard earlier in the meeting.*

James Nichols, County Manager, informed the Board this presentation was to update them on changes in the budget since the tentative budget was presented.

**PUBLIC WORKS PROPOSED REORGANIZATION**

Vicki Moore, Accountant, provided an overview of the Public Works Reorganization. Public Works wants to reclassify and reallocate existing employees as well as add an additional position. Ms. Moore explained the classification changes; the General Fund

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FTE reallocation and the Utility Staff resource needs. The recommendations to the Board are to approve 1 new Utility Technician III and eliminate 1 existing Utility Technician II; approve 1 new Senior Secretary and eliminate 1 Office Administrative Assistant Senior; approve 1 new Maintenance Specialist Senior/Lead and eliminate 1 existing Maintenance Specialist III; approve 1 new SCADA/Electrical Technician. The fiscal impact is financially sustainable reorganization.

Commissioner Thaler asked how the changing of titles is going to fit in with the Comp and Class Study because that will change titles also. Mr. Nichols responded we will need to do it in parallel.

Vice Chairwoman McDermid complimented Public Works on meeting the criteria that was set for doing reorganization and not impacting the General Fund.

Commissioner Penzel stated in abolishing the 210 Fund you are transferring some of those duties to other departments are they going to be picked up by the Enterprise Funds? Ms. Moore responded some of it will be picked up by the Enterprise Funds but with no impact on customers' rates. Commissioner Penzel asked if the \$79,790 being saved is a one time savings or will this be an additional cost in the following years. Ms. Moore replied it's not a one time savings it's from under filling the positions that were already there in comparison to what was budgeted for the rates studies. So that savings is already being calculated into the rates so there will be no rate increase. Mr. Nichols commented the figure will vary year to year but there should still be a savings.

Commissioner Lynn referred to page 8 where it notes we are contracting out to private vendors for a SCADA Technician. He wanted to know if there was an offset to hiring that position and not having the expense of a private vendor. Carl Ruschmeyer, Public Works Director, responded we contract out to 3 private vendors and the issue is compatibility with the equipment and programming between the different vendors. It creates a lot of issues for emergency response. As part of the SCADA Master Plan part of the recommendation is who owns what part/function within the overall program. Mr. Ruschmeyer stated we will see the savings over time.

Commissioner Penzel wanted to know what part of SCADA and SCADA operations can be accomplished in-house with our IT department. Mr. Ruschmeyer responded they are still finalizing the SCADA Master Plan but the recommendations will include who and what department will have those functions. The IT department will be part of the process.

No public comment.

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CHINA SPRINGS YOUTH CAMP REQUESTING POSITIONS FOR NEW BEHAVIORAL  
HEALTH SERVICES DEPARTMENT

Marcia Schurke, Budget Analyst II, provided a summary and organizational chart of the Camp's request for a new Behavioral Health Services Department and the positions that will be required to staff the new department. All of this is contingent on funding from the State.

Commissioner Lynn asked that somebody elaborate on the State funding. Mr. Nichols responded the reason the request is being made the way it is is because they recognize the State's cycle differs from our own. If we get the approval now no Full Time Employees (FTEs) will be added to the budget until funding is received from the State. If no funding is received then no employees will be added.

No public comment

OVERVIEW OF PROPOSED TAX RATES

Ms. Schurke provided an overview of the County's proposed tax rates for the FY 2015-16. There has not been a lot of movement. There was a reduction in the Risk Management and China Springs Youth Camp rates and an equivalent increase in the General fund for no change overall.

Commissioner Thaler would like to figure out another way to supplement the China Springs Youth Camp fund instead of taking the money out of the General Fund. Ms. Schurke replied she would look into that.

Commissioner Penzel asked who sets the tax rate. Ms. Schurke responded the overall Douglas County Tax Rate is set by the State. She stated the Risk Management decrease was a strategic move so they could increase the General Fund for FY 2015-16. Commissioner Penzel asked if there were other counties participating in China Springs. Wendy Garrison, Director of China Springs, responded the tax rate is set at the Legislative level; the portion of money the State puts towards the budget is called "State Allocation". The remaining amount is then allocated, based on student population, across the 16 counties that China Springs serves. Ms. Garrison stated you can find the designation for the Camp and how the money comes in Statute 62B150. The only part that is flexible is the State portion.

PUBLIC COMMENT

Kathy Lewis, Clerk-Treasure, wanted to clarify the tax rates. The combined Douglas County rate is a combination of voter override, Legislative set plus tax rate that is at the Board's discretion. It's a combination of everything.

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Public comment closed.

SUMMARY OF FUNDS

Mr. Nichols, Ms. Moore and Ms. Schurke reviewed each of the fund groups and highlighted any changes to the budget since they were presented in March.

General Fund – the changes made were not available when the tentative budget was discussed in March and have now been incorporated. Mr. Nichols summarized the changes. The five year forecast was updated with the changes and the results are structurally balanced Budgets.

Special Revenue Funds - the changes made were not available when the tentative budget was discussed in March and have now been incorporated. Ms. Schurke summarized the changes. The five year projection for the Room Tax Fund is it's structurally balanced and projected to be financially sustainable.

Enterprise Funds - the changes made were not available when the tentative budget was discussed in March and have now been incorporated. Ms. Moore summarized the changes.

Capital Projects Funds – There were adjustments to the Regional Transportation Fund for the State Route 756 Bicycle Lane Project and the Cottonwood Sough Bridge Project and a Grant from NDOT for the State Route 756 Bicycle Lane Project.

Debt Fund - no changes were made to what was presented.

All Douglas County Funds – are a combined total of all funds and all changes previously summarized were updated here. This is the big picture of all Douglas County Funds not including the Redevelopment Agency, The Towns or East Fork.

Redevelopment Funds - no changes from the March presentation.

Commissioner Thaler asked if Finance was being conservative on the projections for property taxes increase at 2%. Ms. Schurke responded she believes the projection is conservative and that's because it's been lower than anticipated.

PUBLIC COMMENT

Shawnyne Garren, DCEA president, wanted to share her thoughts and the thoughts of an employee that could not attend the meeting. She stated she found herself disappointed after the tentative budget hearings in the amount of money being allocated for improvements to employee compensation. Now we find that we have even less to work with due to further reductions. She commented the Comp and

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Class Study still doesn't have an implementation strategy or any financial recommendations. She stated she doesn't see the proposed budget offering any expectation on the part of existing employees to be granted competitive wages or for the County to have any expectation of attracting a quality work force. She went on to share the thoughts of the employee that could not attend the meeting. The employee's thoughts were by passing a budget that fails to attract or retain good employees it puts services to the public at risk. Meanwhile Douglas County employees continue to fall behind their peers across Nevada. The budget for FY 2015/16 fails to recognize two principles; quality public services and a quality work force.

Trent Tholen, Vice-President DCEA, stated the Commissioners had said they would make employee compensation a high priority this year but with the limited funds allocated for that nobody sees that happening. He mentioned many employees based on the Comp and Class Study are much further out of line. All other employees have been taking some severe financial hits over the past 4 years. He believes there is an urgency to implement the Comp and Class Study. He commented the 71% being allocated for employee compensation is not sufficient and will not be sustainable in the future. The DCEA is trying to rebuild trust between employees and management. They are trying to boost employee morale.

Bob Ballou wanted to give staff and the Commissioners credit for wading through all the information provided for the budget. As a volunteer for the Historical Society he wanted to ask the Commissioners to try and find \$4500 to help cover the fire insurance the Historical Society now has to obtain.

Hope Sullivan, Planning Manager, commented she appreciates the challenges that staff and the Commissioners have had to face with the budget. She stated they have had 5 failed recruitments for a position in the Planning Department. The Planning Department is committed to providing excellent service to its customers and she does not want to hire someone who cannot provide that kind of service. It is hard to provide excellent service when you can't put together a strong team.

Public comment closed.

MOTION by McDermid/Lynn to approve the Public Works reorganization with new positions including job descriptions; carried unanimously.

Chairman Johnson stated their biggest job is not to just build trust between our employees and management but to also build trust with the community. He asked everybody to continue to work together and he appreciated everybody's help.

Commissioner Penzel commented one part of the puzzle with the employees is we are looking for the money. The second part is the County needs a good firm process so

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employees can progress through the steps. He also believes Human Resources needs to step up and establish a plan.

Commissioner Lynn commented over 20 years ago he was able to see firsthand that Douglas County has a chronic, out of range, wage problem; made worse by the County having the highest housing costs. He stated there were some decisions made back in the '90s that have had some negative consequences. However, the Boards back then could not see into the future to understand the impact their decisions would have.

Commissioner Thaler stated he agrees with Chairman Johnson's comments. We also need to look at the bright side, the County is not in the negative. Projections show it is only going to get better. Everybody's comments are not falling on deaf ears. We have multiple issues and those include work force issues. He agreed we need to fix the salaries issue.

MOTION by Thaler/McDermid to approve the China Springs Youth Camp new positions contingent upon State funding and approve the new Behavioral Health Services Department; carried unanimously.

**This meeting is the third public hearing on the FY 2015/2016 budget. The Board of Commissioners is required to hold budget hearings in accordance with NRS 354.596. This meeting may contain an overview of the budget development process and may include specific discussion on any of the following funds:**

**General Fund  
Regional Transportation Fund  
Road Operating Fund  
Tahoe-Douglas Transportation District Fund  
Redevelopment Agency Operating Fund  
Redevelopment Agency Capital Projects Fund  
Stabilization Fund  
NV Cooperative Extension Fund  
Airport Fund  
Douglas County Water District Fund  
Solid Waste Fund  
State Motor Vehicle Accident Indigent Fund  
State Medical Assistance to Indigents Fund  
Social Services Fund  
Law Library Fund  
Room Tax Fund  
Justice Court Administrative Assessment Fund  
China Spring Youth Camp Fund  
Western Nevada Regional Youth Facility Fund  
Erosion Control Fund  
911 Emergency Services**

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**Senior Services  
Risk Management Fund  
Dental Insurance Fund  
Motor Pool/Vehicle Maintenance  
Ridgeview Water District Fund  
Regional Water District Fund  
Sewer Utility Fund  
Carson Valley Water Utility Fund  
Lake Tahoe Water Utility Fund  
Extraordinary Maintenance Fund  
Ad Valorem Capital Projects Fund  
County Construction Fund  
Park Residential Construction Tax Fund  
County Debt/Other Resources Fund  
East Fork Fire District Operating Fund  
East Fork Fire Emergency Fund  
East Fork Fire Debt Service Fund**

**CLOSING PUBLIC COMMENT (No Action)**

PUBLIC COMMENT

Shawnyne Garren, DCEA president, wanted to clarify that a great deal of the employees' frustration in this process is the employees are waiting for the outcome of the Comp and Class Study; but they are told everybody is too busy working on the budget to cost numbers on the Comp and Class Study. She believes this is unacceptable.

Vice Chairwoman McDermid commented during Chief Carlini's presentation he stated they have to implement a wage freeze to balance their budget. They don't have the revenue to implement their budget the way they'd like to. She stated the Board is being over cautious because they don't want to overreach because they have no idea of the impact from this Legislative session.

Chairman Johnson wanted to discuss SB 29 which is about the Functional Home Rule which NACo. has been trying to get passed for the last 5 sessions. It has passed unanimously out of the Senate. Now they are trying to get it out of Committee. They are meeting opposition from Clark County.

Vice Chairwoman McDermid commented the 4 County Coalition has also been very supportive of this Bill through the years and sessions.

Public comment closed.

MOTION by McDermid/Lynn to adjourn; carried unanimously.

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There being no further business to come before the Board, the meeting adjourned at 6:51 p.m.

Respectfully submitted:

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Doug N. Johnson, Chairman  
Douglas County Board of Commissioners

ATTEST:

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Kathy Lewis, Clerk-Treasurer

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